



P.O. Box 1389 • 3111 Fairview Drive  
Owensboro, Kentucky 42302-1389  
(800) 844-4832

RECEIVED

AUG 14 2014

PUBLIC SERVICE  
COMMISSION

August 12, 2014

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Post Office Box 615  
Frankfort, Kentucky 40601

RE: Case No. 2013-00221  
Case No. 2013-00413

Dear Mr. Derouen:

Enclosed please find two reports detailing the revenues and expenses Kenergy incurred in connection with each component of the Century-Hawesville and Century-Sebree Transaction Agreements for the calendar quarter ending June 30, 2014 in accordance with item 5 of the Commission's order in Case No. 2013-00221 and Case No. 2013-00413.

Sincerely,

A handwritten signature in cursive script that reads "Steve Thompson".

Steve Thompson  
Vice President – Finance & Accounting

Enclosures

cc: Service List

RECEIVED

AUG 14 2014

PUBLIC SERVICE  
COMMISSION

**Kenergy Corp**  
**Case No. 2013-00221**  
**Century-Hawesville Transaction Agreements Revenue and Expense Detail**  
**(Kenergy Invoiced to Century-Hawesville)**  
**For the Quarter Ended June 30, 2014 <sup>1</sup>**

**ELECTRIC SERVICE AGREEMENT/ARRANGEMENT AND PROCUREMENT AGREEMENT**

Applicable Section of Agreement	Amount
<b>4.2</b>	
<b>Applicable RTO Charges</b>	
4.2.1/4.2.3/4.2.5 MISO settlement Statement Activity	
BR_CENTAO Settlement Statements	\$ 41,593,579.41
BREC A0 Settlements Statements Activity attributable to BREC.CENTURY	
ZRC attributable to BREC.CENTURY	\$ 48,472.58
FTR/ARR attributes to BREC.CENTURY	\$ (609,346.43)
4.2.2 Transmission Services (AREF#NL1314)	\$ 2,510,973.28
4.2.4 Transmission Upgrades (Sch 26A)	\$ 381,748.77
<b>4.3</b>	
Bilateral Activity	
<b>4.4</b>	
Excess Reactive Demand	\$ 2,412.37

**ELECTRIC SERVICE AGREEMENT**

<b>4.6</b>	
<b>Other Amounts: FOR ANY BILLING MONTH</b>	
4.6.1 Any amounts due and payable to Kenergy under the Tax Indemnity Agreement	
4.6.2 Costs charged to Kenergy under the APA, including any tax liability of Big Rivers resulting from Surplus Sales.	\$ 11,729.91
4.6.3 Costs arising under Section 10.2 relating to compliance with Applicable Laws relating to the environment.	
4.6.4 Costs arising under Section 10.3 relating to compliance with Hedging Arrangements.	
4.6.5 Internal and direct costs incurred in serving Century, including Costs associated with fees of KSPC, Costs of Kenergy's compliance with Section 14.2, Costs associated with any Person other than Big Rivers, including including Kenergy, serving as Market Participant, including charges by the RTO to establish or maintain Hawesville Node if Kenergy is the Market Participant.	\$ 52,673.91
4.6.6 Costs arising under Section 3.1.3 relating to the appointment of a new Market Participant.	
4.6.7 Charges for any other services required to be purchased by Kenergy to serve Century.	
4.6.8 Costs associated with the Hawesville Node exiting an RTO or ISO in connection with an election made by Big Rivers or Kenergy pursuant to Section 3.5.2	
4.6.9 The Excess Energy Rate multiplied by the amount of Energy in excess of 492MW in any Hour.	\$ -
4.6.10 Any amounts charged to Kenergy by a Market Participant under a Market Agreement.	
4.6.11 Other out-of-pocket Costs payable to Kenergy to another Person that are incurred or committed to by Kenergy in connection with or arising out of the Transaction, including (a) Indemnified Liabilities, (b) any security necessary to be provided to any Person (including the RTO or ISO of which the Market Participant is a member or a Bilateral Counterparty) arising out of the Transaction, and © the costs to pursue any approval or consent under Section 7.2.2; provided, the Costs referenced on Exhibit B shall be allocated as provided therein.	\$ 982,208.87

- 4.7 Taxes. No state or local sales, excise, gross receipts or other taxes are included in the charges and credits set forth in this Article 4. Century shall pay or cause to be paid any such taxes that are now or hereafter become applicable to the sale of Electric Services to Century under this Agreement.
- 4.8 No Duplication. Subject to the provisions of Section 5.4, the Monthly Charge shall not include any item that would result in a duplicative payment for a particular charge if Kenergy would not be liable for the duplicative amount.

**DIRECT AGREEMENT**

**Applicable Section of Agreement**

4.1	<b>Direct Payment Obligations</b>	
	4.1(a) SSR Cost if SSR Agreement not FERC approved, and hence not on MISO Settlement Statements	\$ 1,127,183.65
	4.1(a)(i) BREX.CENTURY RT_MISC charge for SSR Cost from BR_CENTAO Settlement Statements	
	4.1(a)(i) BREX.BREX RT_MISC charge for SSR Cost from BR_CENTAO Settlement Statements	
	4.1(a)(i) SSR Costs unreimbursed by MISO (i.e. RT unit trip/derate)	
	4.1(a)(i) SSR Costs unreimbursed by MISO (i.e. actual > SSR contract/budget amounts)	
	4.1(a)(ii)(1) Credit for BREX Transmission Revenue attributable to AREF #NL1314	
	4.1(a)(ii)(2) Revenues received from other Persons based on allocations of responsibility for the related Reliability costs by an RTO or ISO	
	4.1(a)(iv) Credit for SSR costs later recovered due to delayed FERC approval	
	4.1(d) Out of Pocket Costs-Government Imposition-Patriot Coal Contract BRE 11-021	\$ 96,876.60
	4.1(d) Out of Pocket Costs-Evansville Marine Services-Movement of Barges to and from Coleman	\$ 27,982.40
	<b>Total Expenses Quarter Ended June 30, 2014</b>	<b>\$ 46,226,495.32</b>

**ELECTRIC SERVICE AGREEMENT**

4.5	Retail Fee (ESA only)	\$ 54,698.21
	<b>Total Revenue Quarter Ended June 30, 2014</b>	<b>\$ 46,281,193.53</b>
	<b>Total KWH Consumption</b>	<b>1,041,249,312</b>

**Note:** 1.- At the request of and for the benefit of Century, Big Rivers operated its Coleman Station Unit 3 for the period from May 3, 2014 through May 8, 2014. Century requested Big Rivers to operate Coleman unit 3 for a short time period to allow them to make the necessary modifications to their new SPS system. Century was invoiced a net total of \$303,968.29 by Big Rivers at tariff rates plus applicable transmission charges and ancillary services less applicable Settlement Statement balance for the Coleman 3 unit. This amount is excluded from amounts reported in this quarterly filing. Under no circumstances was this agreement to be construed or assumed that Big Rivers was operating Coleman for its own purposes. This agreement does not in any way relieve Century of any future obligations under the Direct Agreement regarding future SSR costs or other provision under the Contract or any other Transaction Agreement.